

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**CITY COUNCIL MEETING**  
**Tuesday, June 3, 2003**

**The Kiva**  
**City Hall**  
**Scottsdale, Arizona**

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**CITY COUNCIL MEETING**  
**Tuesday, June 3, 2003**

**CALL TO ORDER (IN CITY HALL KIVA FORUM)**

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Tuesday, June 3, 2003 in the Kiva, City Hall, at 5:15 P.M.

**ROLL CALL**

Present: Mayor Mary Manross  
Vice Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield  
Wayne Ecton, and Cynthia Lukas

Also Present: City Manager Jan Dolan  
City Attorney David Pennartz  
Deputy City Clerk Carolyn Jagger

**PUBLIC COMMENT**

**Dixie Whittier**, 601 N Hayden Rd, 85257, spoke of needs in south Scottsdale in regard to shopping and getting around by bus.

**Mary Henkenius**, 7218 E Latham St, 85257, expressed the need to vitalize south Scottsdale and implored the Council to listen.

**Shirley Rice**, 601 N Hayden Rd, #187, 85257, urged attention for south Scottsdale as it was deteriorating.

**Ignatius Cing**, 4121 N 66<sup>th</sup> St, 85251, expressed concerns about the loss of revenue from south Scottsdale.

**Irene Ingham**, 320 N 73<sup>rd</sup> St, 85257, spoke in support of Los Arcos.

**CONSENT AGENDA      ITEMS 1 - 14**

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Items 5 and 11 were removed from the Consent Agenda for separate discussion.

**1. Inn Suites Hotels & Suites Liquor License**

**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 11 (hotel) State liquor license for an existing hotel location.

**Location:** 7707 E McDowell Rd

**Reference:** 24-LL-2003

**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

2. **Ayako of Tokyo Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for an existing restaurant location.  
**Location:** 7042 E Indian School Rd  
**Reference:** 25-LL-2003  
**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)
3. **The Moody Brew Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license.  
**Location:** 8445 E Hartford Dr  
**Reference:** 26-LL-2003  
**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)
4. **Pasta Bene Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) State liquor license for an existing location.  
**Location:** 6990 E Shea Bl  
**Reference:** 28-LL-2003  
**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)
5. See page 5.
6. **Mirabel Club Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a person and location transfer of a series 6 (bar) State liquor license for a new golf course/club location.  
**Location:** 37401 N Mirabel Club Dr  
**Reference:** 30-LL-2003  
**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)
7. **Frank & Lupes Outdoor Courtyard Extension and Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for an outdoor courtyard serving area.  
**Location:** 4121 N Marshall Wy  
**Reference:** 13-EX-2003  
**Staff Contact(s):** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)
8. **Modifying 110th Place Abandonment**  
**Request:** Consider the following:
  1. Abandon a portion of 110<sup>th</sup> Place cul-de-sac.

2. Dedicate a new 110<sup>th</sup> Place cul-de-sac.
3. Adopt Resolution No. 6293 vacating and abandoning a portion of the public right of way.

**Location:** E Cave Creek Rd

**Reference:** 1-AB-2003

**Staff Contact(s):** Cheryl Sumners, Senior Planner, 480-312-7834, [csumners@ScottsdaleAZ.gov](mailto:csumners@ScottsdaleAZ.gov)

**9. Contract for Legal Services in connection with Scottsdale 275, LLC v. City of Scottsdale, et al, Case No. CIV02-0041-PHX-MHM, pending in Arizona District Court.**

**Request:** Adopt Resolution No. 6295 authorizing the Mayor to execute Contract No. 2002-032A-COS, legal services contract renewal in a maximum amount of One Hundred Thousand Dollars (\$100,000.00), with the law firm of Lewis and Roca, LLP for legal services regarding representation of the City of Scottsdale in the litigation entitled Scottsdale 275, LLC v. City of Scottsdale, et al.

**Related Policies, References:** Resolution No. 6295; prior contract (No. 2002-032-COS) and Resolution 6043.

**Staff Contact(s):** David A. Pennartz, City Attorney, [dpennartz@scottsdaleaz.gov](mailto:dpennartz@scottsdaleaz.gov); Deborah W. Robberson, Deputy City Attorney, [dobberson@scottsdaleaz.gov](mailto:dobberson@scottsdaleaz.gov)

**10. An intergovernmental agreement between the cities of Scottsdale, Chandler, Glendale, Goodyear, Mesa and Peoria, and a legal services contract between those cities and the law firm of Engelman Berger, P.C., relating to joint legal representation in settlement activities in connection with the CAWCD v. U.S. litigation.**

**Request:** Adopt Resolution No. 6300 authorizing the Mayor to enter into: (a) Eighth Intergovernmental Agreement No. 2003-108-COS, an agreement between the cities of Scottsdale, Chandler, Glendale, Goodyear, Mesa and Peoria, and (b) Agreement No. 2003-109-COS, a Contract for Legal Services among the aforementioned cities and the law firm of Engelman Berger, P.C., both relating to joint legal representation in settlement activities in connection with the CAWCD v. U.S. litigation.

**Staff Contact(s):** David Pennartz, [dpennartz@scottsdaleaz.gov](mailto:dpennartz@scottsdaleaz.gov), (480) 312-2405; Paul Norman, [pnorman@scottsdaleaz.gov](mailto:pnorman@scottsdaleaz.gov), (480) 312-2405

**11. See page 6.**

**12. Contract for Legal Services in connection with City of Scottsdale v. Phillip P. Lovell, Superior Court Case No. CV2000-017992**

**Request:** Adopt Resolution No. 6297 authorizing the Mayor to execute Contract No. 2003-102-COS, an outside counsel contract renewal in a maximum amount of Fifty Thousand Dollars (\$50,000.00) with the law firm of AYERS & BROWN, P.C. for legal services regarding representation of the City of Scottsdale in the litigation entitled City of Scottsdale v. Phillip P. Lovell, Superior Court Case No. CV2000-017992, an eminent domain action brought to acquire real property for McDowell Sonoran Preserve.

**Related Policies, References:** Resolution No. 6297

**Staff Contact(s):** Donna M. Bronski, Deputy City Attorney, [dbronski@scottsdaleaz.gov](mailto:dbronski@scottsdaleaz.gov), (480) 312-2405

13. **Approve annual contract with GPEC for economic development marketing**  
**Request:** Adopt Resolution No. 6304 authorizing General Funds in the amount of \$83,806 for provision of regional economic development marketing services, and Approve Contract No. 2003-107-COS with the Greater Phoenix Economic Council  
**Related Policies, References:** Economic Vitality Strategic Plan, approved by Council 11/02  
**Staff Contact(s):** David Roderique, Economic Vitality General Manager, 480-312-7601, [droderique@scottsdaleaz.gov](mailto:droderique@scottsdaleaz.gov)
14. **Approve Industrial Development Refinancing Bonds for Scottsdale Healthcare**  
**Request:** Adopt Resolution No. 6239 upholding the approval of the Scottsdale Industrial Development Board for the authorization of the issuance of up to \$40 million in Industrial Development Revenue Bonds to Scottsdale Healthcare for the refinancing of existing bonds; and, declare an emergency to enable Scottsdale Healthcare to sell these bonds immediately, thus avoiding possible interest rate changes.  
**Staff Contact(s):** David Roderique, Economic Vitality General Manager, 480-312-7601, [droderique@scottsdaleaz.gov](mailto:droderique@scottsdaleaz.gov)

COUNCILMAN SILVERMAN MOVED FOR APPROVAL OF CONSENT AGENDA ITEMS 1-14 EXCEPT FOR ITEMS 5 AND 11. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7-0.

**Items 5 and 11 removed from Consent Agenda for separate discussion:**

5. **Circle K Store # 6347 Liquor License**  
**Request:** Consider forwarding a favorable recommendation to the Arizona Department of Liquor Licenses and Control for a series 10 (beer/wine store) State liquor license for an existing convenience store location.  
**Location:** 8202 E McDowell Rd  
**Reference:** 29-LL-2003  
**Staff Contacts:** Jeff Fisher, Plan and Permit Services Interim Director, 480-312-7619, [jefisher@ScottsdaleAZ.gov](mailto:jefisher@ScottsdaleAZ.gov)

Councilman Ecton referenced a list of violations related to these stores and encouraged owners to be more diligent in how they do their business. Mr. Fisher responded to Mayor Manross that this was not an unusual number of violations for these types of businesses and the police department had reviewed this case and recommended approval.

COUNCILWOMAN LUKAS MOVED FOR APPROVAL OF 29-LL-2003. COUNCILMAN ORTEGA SECONDED THE MOTION WHICH CARRIED 7-0.

11. **Contract for Legal Services in connection with a proposed redevelopment agreement for Los Arcos.**  
**Request:** Adopt Resolution No. 6296 authorizing the Mayor to execute Contract No. 2003-101-COS, an outside counsel contract renewal in a maximum amount of Forty Thousand Dollars (\$40,000) with the law firm of VAN WAGNER & ERHART LLP for

legal services regarding representation of the City of Scottsdale in a proposed redevelopment agreement for Los Arcos.

**Related Policies, References:** Resolution No. 6296

**Staff Contact(s):** David A. Pennartz City Attorney, [dpennartz@scottsdaleaz.gov](mailto:dpennartz@scottsdaleaz.gov); (480) 312-2405

**Sharon Morgan**, 7304 E McKinnley, 85257, spoke in support and thanked the Council members who supported Los Arcos.

Councilman Ortega said this item was requesting Council to fund an additional \$40,000 for legal services in addition to \$20,000 already spent. He recalled that in April he had requested a clause be inserted in the agreement stating that, "the developer would pay all legal costs and indemnify the City of Scottsdale from any and all contingent liability with respect to any legal action which might be brought against the City of Scottsdale or against the development agreement by any party. In addition, the indemnification should include responsibility of the developer to pay any and all judgments and all attorney fees and legal defense costs. Also, the developer should pay all legal costs related to defense of the City of Scottsdale, whether in house or contracted legal service." He wanted this statement entered into tonight's record and wanted to be sure the city was protected.

Mayor Manross clarified this agenda item was only for a contract for legal services in connection with the development agreement for Los Arcos; the redevelopment proposal itself would likely come forward in a few weeks.

COUNCILWOMAN LUKAS MOVED FOR APPROVAL OF RESOLUTION 6296. COUNCILMAN SILVERMAN SECONDED THE MOTION WHICH CARRIED 7-0.

## Regular Agenda

### 15. **Updating Regulations for massage facilities, massage therapists and general provisions for licensing and permits**

**Request:** Approve Ordinance No. 3510, imposing new fees, adding annual fingerprinting and other updates to the massage therapist and facility regulations; and Approve Ordinance No. 3509, amending and updating the Article I of Chapter 16, relating to the general provisions for licenses and permits.

**Related Policies, References:** Chapter 16 of the City Code; Licenses, Taxation, and Miscellaneous Business Regulations; Senate Bill 1103, effective May 13, 2003.

**Staff Contact(s):** Captain Burl Haenel, District 1, [bhaenel@scottsdaleaz.gov](mailto:bhaenel@scottsdaleaz.gov), (480) 312-7318,

Cindy James, Customer Services Director, Tax and License, [cjames@scottsdaleaz.gov](mailto:cjames@scottsdaleaz.gov), (480) 312-5925,

Donna Bronski, Deputy City Attorney, [dbronski@scottsdaleaz.gov](mailto:dbronski@scottsdaleaz.gov), (480) 312-2624

Capt. Haenel gave the presentation per the Council Action Report.

Ms. Bronski noted an omission in section 16-221 (a)(2) and added the words "or by the State of Arizona" at the end of that section. She reviewed changes in Ordinance 3509 related to housekeeping and clarifications.

Public testimony opened:

**Anne Pogue**, 3314 N 68<sup>th</sup> St, #130W, 85251, spoke in opposition, saying it discriminated against forms of therapy such as raki and jen-jitsu and was confused whether those would need a license. Test fees and continuing education did not make it feasible for a part-time therapist, and she was surprised insurance was not included in the requirements.

**Lucille Gecewicz**, 5900 E Thomas, G209, 85251, was opposed to being finger printed yearly and treated like a criminal, and against the new fee structure as well.

**Judy Kittoe**, 2725 E Louise Dr, Phx, 85032, appreciated the stated purpose of the new code but felt the PD needed to look at the real problem. She felt the dressing room provision was impractical. Prosecuting sexual activity was the only way to assure the integrity of the legitimate massage therapy industry.

**Michael Tapscott**, 2901 E Cholla St, applauded many of the actions regarding facilities but felt this put unfair burdens on massage practitioners. He wondered why this was being done now when the state would be doing the licensing in a year. Will they have to pay state fees and city fees?

**Jill Eisenhut**, 25984 N 115 Pl, 85255, said the city had good intentions but shouldn't punish the facilities that did a good job.

**Chris Sullivan-Bradford**, 1507 W Helena Dr, 85023, wanted LMTs to have the same privileges entrusted to all other healthcare professionals and wished for minimizing additional costs.

**Sam West**, 8160 N Hayden, J-210, 85258, said this was really about the citizens of the city saying there were issues here that needed to be addressed. He didn't feel this profession was being asked anything out of the ordinary.

**Derek Cardoza**, 15757 N 90<sup>th</sup> St, 201E, 85260, had issues with the requirement for a high school diploma, paying for fingerprinting, hours of operation, and national testing.

Public testimony concluded.

Mayor Manross clarified that it was the new state law that required a national certification test.

Responding to Councilwoman Lukas, Ms. Bronski said in healing-type of practices, if there was no touching of a client involved, no license was required. In other answers, fees would be the same whether therapists worked part-time or full-time because the cost recovery of processing was the same. Ms. Dolan responded this action was being taken by Scottsdale now because it was something staff had been working on for some time and it was important to get these controls in place now for those who would be grandfathered by the state next year. In regard to state fees, Ms. Bronski said they have made a commitment to work through some of those conflict issues and it may be possible to get some credits for some individuals. It was also clarified that a GED would be acceptable for a high school diploma. Ms. Bronski felt the city would be able to have input into the type of testing at the state level in the future.

After discussion of responding to the concerns of those involved, Vice Mayor O'Hearn expressed he hoped this wasn't overkill and was comfortable with staff's responses to those concerns.

Responding to Councilman Ecton, Capt. Haenel said the reference by one of the speakers to being punished because of 1% of the violators was actually more in the 15-20% range of those facilities identified as having some type of violation.

Councilman Ortega noted that Senate Bill 1103 had all of the same provisions as these ordinance changes. He felt this went through a good public process and everything seemed to be in order. It seemed sensible to conform to state law.

COUNCILMAN ORTEGA MOVED FOR APPROVAL OF ORDINANCES 3510 AND 3509.  
COUNCILWOMAN LUKAS SECONDED THE MOTION.

Mayor Manross requested staff follow up on the question of getting credits from the state in regard to fees.

It was noted the motion included the technical amendment Ms. Bronski added to section 16-221 (a)(2) tonight.

THE MOTION FOR APPROVAL CARRIED 7-0.

**16. Annual review & update of Downtown Enhanced Municipal Services District No. 2.**

**Request:** Adopt Resolution No. 6298 (Attachment A) to accomplish all of the following:

1. Reject any objections received to the legality of the assessments for Fiscal Year 2003-2004 for the Downtown Enhanced Municipal Services District No. 2 as insufficient and without merit.
2. Establish at \$527,500 the amount of funds to be raised for District projects through assessments for Fiscal Year 2003-2004.
3. Supplement the amount raised through assessments, by committing toward funding of enhanced municipal services within the District during Fiscal Year 2003-2004, an additional \$100,000 from the City's general fund.
4. Establish a Fiscal Year 2003-2004 budget for the District in the total amount of \$612,000 as detailed on Attachment B.
5. Approve expenditure of \$97,000 in District funds under existing Contract No. 2002-100-COS with Downtown Scottsdale Partnership, Inc. for Fiscal Year 2003-2004.
6. Approve expenditure of \$500,000 in District funds under existing Contract No. 2002-111-COS with Cramer-Krasselt for Fiscal Year 2003-2004,

**Related Policies, References:** On May 28, 2002, the Mayor and City Council adopted Resolution No. 6083 ordering the provision of enhanced municipal services within the Downtown Enhanced Municipal Services District No. 2, and providing for the annual costs and expenses to be assessed against the real property within the District for each of the next five years. On July 2, 2002, the Mayor and City Council adopted Resolution No. 6112A adopting a budget for the Downtown Enhanced Municipal Services District for 2002-2003, and awarding contracts to Cramer-Krasselt for marketing services and promotion at a cost of \$500,000 and to Downtown Scottsdale Partnership for district administration at a cost of \$97,000.



**Staff Contact(s):** Sahler Hornbeck, Downtown Liaison, 480-312-2394, [shornbeck@scottsdaleaz.gov](mailto:shornbeck@scottsdaleaz.gov);  
Laurel Edgar, Revitalization Manager, 480-312-7313, [ledgar@scottsdaleaz.gov](mailto:ledgar@scottsdaleaz.gov)

Mr. Gawf gave a presentation per the Council Action Report. He noted the amount of funding to be raised through assessments had been changed to \$517,736 rather than \$527,500 listed in the report.

Phil Goldberg, with Cramer-Krasselt, presented an update on the upcoming year's marketing program.

Matt Lehrman, of the DSP Marketing Committee, continued with the presentation, reviewing their visions of downtown and what type of things to focus on in their ads.

Mr. Goldberg continued and presented examples of magazine ads, bus tails, event ads, and trolley signs.

Dwayne Richard, DSP Executive Director, discussed the administrative functions performed during the past year, including the visitor center, ambassador program, and signature events.

Public comment opened.

**Dewey Schade**, 4200 N Marshall Way, 852511, discussed the strong teamwork and respect that evolved over the past year and hoped Council would approve the district for next year.

**Lois Fitch**, 1229 N Granite Reef, 85257, provided background of the downtown area and felt we were on the right track but not there yet. She further said we had a wonderful downtown and it needed to be promoted as 'original'.

**Kathy Duley**, 7100 E Main St, 85251, discussed the process over the past year and the heightened sense of cooperation that emerged. She urged Council to allow this process to evolve.

**Michael Fernandez**, 4338 N Scottsdale Rd, 85251, felt some changes were needed for this to work better. Two years should be enough to serve on the board and the size of the board should be smaller. He also felt management fees were too high and that an outside audit should be done so taxpayers were confident they were getting what they were being taxed for.

**Lorraine White**, 6245 E McDonald Dr, 85253, wanted more of a western focus in the campaign ads. Furthermore, the marketing had been disastrous and they should resign.

**Frank Maguire**, 7121 E 5<sup>th</sup> Av, 85251, felt downtown Scottsdale had great potential to become the hottest spot in Arizona. He requested one more year to get everything worked out.

**Tom Giller**, 2940 N 67<sup>th</sup> Pl, 85251, felt the marketing campaign lacked in western elements and that the partnership needed to be restructured.

**Marilyn Atkinson**, 3957 N Brown Av, 85251, discussed problems in the administration area, and said this downtown organization must be restructured.

**Judie Pinch**, 7233 E 1<sup>st</sup> Av, 85251, presented the financial report and pointed out her concerns regarding the budget.

**Janet Harris**, 6939 5<sup>th</sup> Av, expressed her displeasure at the actions of some people here tonight. She loved the new campaign and hoped Council would look at the big picture and not the little nit-picky things.

**Margie Schmitz**, 7116 E 5<sup>th</sup> Av, felt the downtown partnership had accomplished a lot this year and she was very proud to be part of the team.

Public testimony closed. There were 19 additional cards from citizens not wishing to speak; 18 in favor and 1 opposed.

Councilman Littlefield said downtown was important and needed this EMSD and needed marketing, but it was time for a change in how it was done.

COUNCILMAN LITTLEFIELD MOVED FOR APPROVAL OF RESOLUTION 6298 WITH THE FOLLOWING AMENDMENTS: THE TOTAL AMOUNT OF FUNDS TO BE RAISED IN FY 2003-2004 FOR DISTRICT PURPOSES (ITEM 2) IS MODIFIED FROM \$527,500 TO \$517,736. THE EXPENDITURE OF DISTRICT FUNDS UNDER CONTRACT NO. 2002-100-COS WITH THE DOWNTOWN SCOTTSDALE PARTNERSHIP, INC. (ITEM 5) IS MODIFIED FROM \$97,000 TO \$48,500 WHICH SHALL BE FOR A SIX-MONTH PERIOD STARTING JULY 1, 2003. DIRECT STAFF TO RESEARCH, DEVELOP AND AGENDIZE, WITHIN 120 DAYS, AN ORDINANCE TO ESTABLISH A DOWNTOWN SCOTTSDALE COMMISSION. THIS WILL BE A STANDING CITY COMMISSION CONSISTING OF SEVEN MEMBERS APPOINTED BY THE CITY COUNCIL. THE DOWNTOWN SCOTTSDALE COMMISSION WILL BE CHARGED WITH THREE TASKS:

1. MANAGE THE EXPENDITURE OF THE EMSD MARKETING FUNDS.
2. CREATE AND MAINTAIN A DOWNTOWN SCOTTSDALE PLAN.
3. ADVISE THE CITY COUNCIL ON POLICY MATTERS CONCERNING DOWNTOWN SCOTTSDALE SUCH AS PARKING, LAND USE ISSUES, PROPOSED ORDINANCES, ETC.

AS PART OF THEIR RESEARCH STAFF WILL CONSIDER WHAT QUALIFICATIONS MEMBERS OF THIS COMMISSION SHOULD BE REQUIRED TO MEET IN ORDER TO INSURE THAT THE VIEWS AND INTERESTS OF PROPERTY OWNERS AND MERCHANTS IN DOWNTOWN SCOTTSDALE ARE ADEQUATELY REPRESENTED ON THE COMMISSION.

ALSO, STAFF MAY COME BACK TO THE COUNCIL WITH INFORMATION ON OTHER ALTERNATIVES TO THE PROPOSED COMMISSION.

COUNCILMAN SILVERMAN SECONDED THE MOTION.

Councilman Silverman said he understood this would be looked at and a commission would possibly be formed. The same people have been in charge for years and it was not healthy. It

was time for a change. In 6 months, if this option didn't work, we'll continue on with the partnership, but he believed they needed to look at this option.

Mayor Manross regretted this motion was presented and would not support it. They were trying to make government leaner and this would create another commission with more staff work instead of letting the people paying the assessments make their own decisions. The issues needed to be taken care of by the businesses.

Councilman Ortega felt the amendment in the motion was inappropriate and was not agendaized and was illegal. They were blindsided by the motion and it had no public discussion; he would prefer the amendment be deferred. Creating a commission tonight was not part of the legal public process.

Mr. Pennartz said the motion fit within the legal aspects of item 5 in the Council Action Report and Council had authority to deviate from the suggested recommendation.

Councilman Ortega said if a new commission needed to be created, let it come back after a study.

Councilman Littlefield said it would come back in 120 days for more public comment. They were not voting on creating the Commission tonight but to direct staff to study the issue and come back in 120 days with an agenda item. He stated his motion was legal and on the floor.

Mayor Manross reiterated that no more commissions were needed and there were several entities including Planning Commission that worked on downtown plans.

Councilwoman Lukas said the board was large and unwieldy but felt those who tax themselves should be in charge of revenues and direct the marketing efforts. She felt they should allow the process to continue to evolve and the stakeholders should be in the drivers seat. She understood her colleagues' frustrations and wanting to do things different. She would have preferred to have the subject of the amendment come up sooner so members of the audience could have commented on it.

Vice Mayor O'Hearn felt C-K had made progress but there might be a better way to do things as things were complex and there was too much unrest. The motion and amendment appealed to him because of its intent to streamline and rectify. He asked Councilman Littlefield if he would consider changing the amendment somewhat to direct staff to come back in six months with answers on the pluses and minuses on doing a commission or doing a different kind of body and allowing discussion on main tasks or responsibilities of the body, but not be rigid in dictating exactly what it would be.

Councilman Littlefield said he was proposing a standard city commission.

Councilman Ecton felt C-K had done an outstanding job and there still needed to be some tweaking. Administrative problems were serious. Hopefully the commission would be a body of business owners and tonight was not the time to debate exactly what the rules would be of the commission. His understanding was that Councilman Littlefield had proposed they adopt Option 'C' and ask staff to come back in 120 days and to consider a commission. That was reasonable and logical. Staff might come back with something other than a commission. He would support the motion the way he understood it.

Councilman Ortega further discussed issues and that they shouldn't be micromanaging these people.

Councilman Littlefield said he would be happy to ADD A PHRASE TO HIS MOTION TO GIVE STAFF THE OPTION TO COME BACK WITH ALTERNATIVE PROPOSALS AS THEY SEE FIT.

Vice Mayor O'Hearn felt this amended motion suggested they would try to hone, refine and reshape the DSP, not eliminating the volunteers or committees but helping to create a better way to manage themselves.

COUNCILMAN SILVERMAN, THE SECONDER, AGREED TO THE AMENDED MOTION. THE MOTION AS AMENDED CARRIED 4-3 WITH MAYOR MANROSS, COUNCILMAN ORTEGA, AND COUNCILWOMAN LUKAS DISSENTING.

Mr. Pennartz clarified that the motion included the change to \$517,736 for funds to be raised through assessments, and the change to \$48,500 for expenditures of district funds for 6 months.

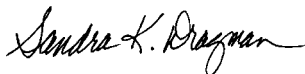
**Public Comment** - No public comment.

**City Manager's Report** - No report was issued.

**Mayor and Council Items** - No items were presented.

**Adjournment** - With no further business to discuss, Mayor Manross adjourned the meeting at 9:25 PM.

**SUBMITTED BY:**



**Sandy Dragman**  
Recording Secretary

**REVIEWED BY:**

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**REVIEWED BY:**  
City Clerk

**C E R T I F I C A T E**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 3rd day of June 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this \_\_\_\_\_ day of June 2003.

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**SONIA ROBERTSON**  
**City Clerk**